EXHIBIT B
DRAFT PROCEDURES AND REQUIREMENTS
Used Oil Recycling Block Grant (11th Cycle) for FY 2005 – 2006

Copies of these Procedures and Requirements should be shared with BOTH the Finance Department AND the staff responsible for implementing the grant activities.

Important Dates	July 1, 2005…………UBG10 (2004/05) Procedures and Requirements shall govern any expenditure of UBG11 funds between July 1, 2005 and Notice to Proceed
	Fall 2005 (tentative) Grant Term Begins with **Notice to Proceed** (provisions within UBG11's Grant Agreement become effective)
	June 30, 2008 Grant Term Ends
	August 15, 2006 Annual Reports Due
	August 15, 2007
	August 15, 2008 Final Report Due
Questions?	All communication regarding this grant should be directed to the Grant Manager unless otherwise specifically stated. To find the name and telephone number of the Grant Manager, refer to www.ciwmb.ca.gov/HHW/Grants/Contacts.htm.
	The Grantee may also call the Special Waste Division at (916) 341-6457.
Where to Send Reports, Payment Requests, etc.	Send Reports, Payment Requests, and all other written correspondence to the Grant Manager's attention at:
	California Integrated Waste Management Board Special Waste Division Used Oil and HHW Branch – MS #21 P.O. Box 4025, 1001 "I" Street Sacramento, CA 95812-4025
	Attn: (Grant Manager's name)
ELIGIBLE EXPENDITURES	The expenditures listed below under "Pre-Approved Expenditures" DO NOT have to be pre-approved by the Grant Manager if they are related to the establishment, maintenance, or enhancement of used oil and used oil filter collection programs.
	All costs must be incurred, and payment made, with services provided and goods received within the grant term (Notice to Proceed date– June 30, 2008).
Pre-Approved Expenditures	• **Used oil collection** o Used oil and used oil filter collection o Curbside used oil collection

Pre-Approved Expenditures (cont'd)	o Door-to-door used oil collection
	o Certified and non-certified used oil collection center support
	o Used oil collection through Household Hazardous Waste (HHW) Programs, including transportation costs of used oil
	o Set up and operation of temporary facilities for one-day or multi-day HHW collection events where used oil will be accepted
	o Agricultural used oil collection projects
	o Marina used oil collection projects
	o Airport used oil collection projects
	o Construction of Permanent HHW Collection Facility (PHHWCF) and Antifreeze, Battery, Oil, and Paint Facility (ABOP) where used oil is accepted – permanent features, used oil-related equipment and supplies are eligible
	
	• **Publicity and education materials**
	  o Program evaluation
	  o Purchase and distribution of used oil containers
	  o **Exception**: The following publicity and education material must be pre-approved:
	    ➢ Premiums whose per item cost exceeds six dollars ($6) (not including sales tax), and
	    ➢ Television, video, and radio scripts.
	
	• **School Education/Curricula Expenses (For Approved Curricula[1])**
	  o Promotion of training to local school staff and teachers
	  o Meeting room expenses
	  o Staff developer (trainer) costs
	  (Travel is listed as requiring pre-approval)
	  o Teacher expenses for attending training workshops of approved curriculum (including costs for substitute teachers)
	  o Photocopying, and materials expenses
	
	• **Re-Refined Oil**
	  o Cost differential between re-refined and virgin oil
	  o Re-refined oil promotion
	
	• **Personnel costs for used oil/filter recycling activities**
	  o Training costs directly related to used oil/filter recycling activities

---

[1] The CIWMB recommends and distributes the following curricula free of charge to teachers: *Earth Resources--A Case Study: Oil*—appropriate for 6-12 grades. *Closing the Loop: 2000 edition*—appropriate for K-6 grades (this unit includes HHW specific lessons for both the K-3 grade level and the 4-6 grade level).

The CIWMB has copies of these curricula. For more information, visit www.ciwmb.ca.gov/schools or call (916) 341-6769.

- **Load checking projects** related to the identification of used oil
- **Indirect or Overhead Costs** that do not exceed 10% of the grant award amount
- **Profit to contractors and subcontracts** for services and products when grantees follow the competitive bidding process or their local purchasing laws and regulations

Expenditures Requiring Pre-Approval

Expenditures associated with the tasks or products listed below <u>must be approved in writing by the Grant Manager prior to purchase or production</u>. Please retain all approvals for audit purposes. Items not pre-approved MAY NOT be an eligible expenditure.

Allow at least five (5) working days for approval of the following items:
- Premiums if the per item cost exceeds six dollars ($6) (not including sales tax)
- All television, video and radio scripts
- Stormwater Mitigation (refer to section below for details)
- School education and curricula expenses
- School presentations (submit script and presentation purpose)
- Equipment, vehicles, and trailers
- Computer equipment and software
- Travel Expenses
- Financial incentives (includes: sponsorships, stipends, etc.)
- Planning, background, or feasibility studies

Stormwater Expenses

Since January 2002, some stormwater mitigation expenditures are eligible for Used Oil Block Grant (Block Grant) funding. Stormwater mitigation is defined in Public Resources Code Section 48618.4 to include "…the prevention of stormwater pollution from used oil and oil byproducts and the reduction or alleviation of the effect of stormwater pollution from used oil and oil byproducts by means of action taken on public property. Mitigation includes the installation of devices and implementation of practices that prevent used oil and oil byproducts from causing stormwater pollution. Mitigation does not include the cleanup or restoration of polluted areas".

- **Stormwater expenses may not exceed 50% of the Used Oil Block Grant award.**
- All related stormwater expenses such as personnel, publicity and education, stenciling, and stormwater filter purchase/maintenance is counted towards the 50% cap.
- To qualify for Block Grant funding, each jurisdiction must self-certify that they have a stormwater mitigation program that has been approved by their local Regional Water Quality Control Board.
- All stormwater expenses must be accounted and reported as a separate category on the Expenditure Itemization Summary.

Ineligible Expenses

Any expenditure that does not support the implementation of used oil collection programs is ineligible for Block Grant funding. The activities, products, or expenditures listed below are specifically identified as ineligible. The ineligible expenditures include, but are not limited to:

- Costs incurred prior to July 1, 2005 and after June 30, 2008
- Purchasing or leasing of land
- Costs currently covered by another CIWMB loan or grant
- Remediation (any cleanup or restoration of polluted areas)
- Enforcement activities
- Profit or mark-up by the Grantee
- Preparation of HHW elements
- Out-of-state travel
- Developing or customizing Grantee's own school curricula
- Overtime costs (except for local government staffing during specially scheduled evening or weekend events that have been pre-approved in writing by the Grant Manager when law or labor contract requires overtime compensation)
- Any food or beverages (e.g., as part of meetings, workshops, or events)
- Premiums that contribute to the HHW waste stream
- Transportation & disposal of non-oil HHW from any facility or event
- Equipment, materials or supplies at Permanent Household Hazardous Waste Collection Facilities (PHHWCF) or antifreeze, battery, oil, and paint facilities (ABOP) not directly related to the collection of used oil and filters
- Any costs not consistent with local, state, or federal guidelines and regulations
- Travel expenditures that exceed the state rate
- Any personnel costs incurred as a result of time an employee assigned to the project funded by the grant does not work on the project (e.g., personal use of earned personnel time such as accrued sick leave, accrued vacation, etc.)
- Any pre-paid expenditures for future goods or services delivered beyond the end of the grant term (Exemption: The Grant Manager may consider approving products purchased in full before the end of the grant term but delivered after the grant term if the delay is caused solely by the supplier, and not by the Grantee. The Grantee must request an exemption in writing and receive written pre-approval from the Grant Manager)
- Fines or penalties due to violation of federal, state or local laws, ordinances, or regulations

PUBLICITY AND EDUCATION REQUIREMENTS

Premiums must be appropriate for the target audience; durable, and not likely to be disposed of in a short time or contribute to the waste stream or hazardous waste stream (e.g., any item containing batteries, mercury, etc.); and not promote particular brand-name products or private businesses

For all languages other than English, Grantee must work with a certified translator or person fluent in reading and writing the language. A description of the translator's qualifications as well as an English version of the material must be submitted with the Final Report.

Materials or items purchased may be denied full reimbursement if they do not meet the requirements detailed in this section.

All items/materials, as appropriate, must meet the acknowledgement, advertising/public education, and recycled-content product requirements[2] as set forth in the Terms and Conditions, and must include the following:

a) Acknowledgement of the CIWMB funding that reads "Funded by a Grant from the California Integrated Waste Management Board." [3]Use of the initials "CIWMB" is not sufficient. Exception: The acknowledgement line is not required on small items where space constraints would not allow for this line, or if it would interfere with the message (pencils, small magnets,etc.). All exceptions must be pre-approved in writing by the Grant Manager.

b) Specific information on used oil/filter recycling/disposal.

c) A list of used oil collection centers within the targeted community or a telephone number to call for information on local collection centers. When locations are listed, include the following language: "Call for hours of operation."

d) The "Used Oil Drop" logo with the words "Recycle Used Oil" or "Recycle Used Oil and Filters" as appropriate. (Camera-ready art and color specifications are available free from the CIWMB.

e) The slogan, "Zero Waste- You Make It happen!" where space is a constraint, the Grant Manager may allow exceptions, which must be pre-approved in writing.

Combining Used Oil With Other Environmental Programs

Both stormwater and/or HHW recycling programs may be incorporated with the used oil recycling message on publicity and education (P&E) items. The funding level for the P&E portion for these programs will be determined on a case-by-case basis by the Grant Manager. To be eligible for any funding, the proposal must meet the minimum requirements for Used Oil P&E, and clearly support all of the key components of the Used Oil Block Grant program.

[2] For information on minimum recycled-content products, see www.ciwmb.ca.gov/BuyReycled/StateAgency/.

[3] There are only two acceptable Spanish translations: "Financiado por una beca del California Integrated Waste Management Board" or "Ratrocinado por fondos del California Integrated Waste Management Board." For other langages, you must work with a certified translator or person fluent in reading and writing that language.

Graphics

RECYCLE
USED OIL FILTERS

RECYCLE
USED OIL

Graphics are available on the CIWMB's website at: www.ciwmb.ca.gov/UsedOil/graphics/default.htm#usedoil.) Use the State colors (blue oil drop on yellow background) on any material produced in four or more colors. (The color designation for professional printing is Yale Blue-Pantone 286C; Golden Yellow-Pantone 123C.)

Recycled Content Product Requirements
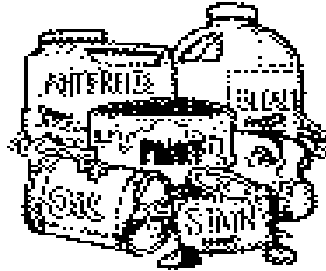
All Grantees must report the percentage of recycled-content material for all products purchased in the product categories listed below. Grantees must use a separate Recycled-Content Product Certification (RCP) Form (CIWMB 74G) for **each supplier** and submit these forms with the Final Report. The form can be found at CIWMB's website at http://www.ciwmb.ca.gov/HHW/Forms.

Paper Products	Printing & Writing	Plastic Products
Compost & Co-Compost	Paper	Lubricating Oils
Paint	Glass Products	Tire-Derived
Tires	Solvents	Products
	Steel Products	

Any exceptions to the above requirements must be pre-approved in writing by the Grant Manager.

Large Equipment CIWMB Acknowledgement

A CIWMB sticker (bumper sticker size) that displays the "used oil drop" logo including the text "Recycle Used Oil" and "Funded by a grant from the California Integrated Waste Management Board" is required to be affixed to all large pieces of equipment purchased with grant funds. When submitting the Final Report, the picture of this equipment should include the affixed sticker. CIWMB stickers are available at no cost.

REPORTING REQUIREMENTS **Annual Report Due August 15th**	Grantees are required to submit an Annual Report on **August 15th** of each year demonstrating program progress and how they have spent their Used Oil Block Grant funds for the previous fiscal year (July 1 – June 30). Annual Reports are required for each active Used Oil Block Grant. Grantees may combine active grant activities into a single annual report. The report must clearly identify the grant cycles. Grantees that do not show progress toward implementation of a used oil and used oil filter collection and education program may not receive all or some of their next annual Block Grant allocation. This lack of performance will also be noted if Grantees apply for future Used Oil and/or HHW funds. **Grantees that do not meet the Annual Reporting requirements will be ineligible to apply for future grant cycles.**
Annual Report Required Items	**Items required for each Annual Report:** 1. Completed Annual Report Form 2. Expenditure Itemization Summary (EIS) **All forms can be downloaded from the CIWMB website at http://www.ciwmb.ca.gov/HHW/Forms.**
Reimbursement Funding	**Beginning with this cycle of the Block Grant, grant funds will be expended on a reimbursement basis only. The advance payment option is available for grantees receiving $20,000 or less, multi-jurisdictional and regional grantees whose individual jurisdictions would have received $20,000 or less had they applied individually. Staff will consider exceptions to the reimbursement policy for financial hardship situations on a case-by-case basis.** • **For grants subject to the reimbursement funding, refer to pages 7-12.** • **For grants approved for the advanced payment option, refer to pages 13 – 18.**
Final Report Grant Closure **August 15, 2008 (or earlier)**	Grants are not considered closed until all the reporting requirements have been met, all available funding has been expended or returned to the CIWMB, and/or the grant term has expired. The Final Report covers the final reporting period from July 1 to the grant closure date. If an advance was approved, any unexpended advanced grant funds and/or interest accrued (if applicable) must be returned to the CIWMB or the Grantee will be invoiced by the CIWMB. **Items required for a Final Report:** 1. Completed Annual Report Form (CIWMB 644) 2. The following disclaimer must appear on the cover page of the report: "The statements and conclusions of this report are those of the Grantee and not necessarily those of the California Integrated Waste Management Board, its employees, or the State of California. The

State makes no warranty, express or implied, and assumes no liability for the information contained in the succeeding text."

3. Expenditure Itemization Summary (EIS) (CIWMB 667)
4. Payment Request Form (CIWMB 87) for the remaining ten percent (10%) withheld from payment requests.
5. Recycled Content Product Certification Form (RCP) (CIWMB 74G) for each item purchased with grant funds (submit a separate form for each supplier)
6. P & E Reporting Samples
   ❑ A photograph of each premium item
   ❑ An electronic copy or a printed copy of all other P & E printed materials
   ❑ For videos and radio ads provide a copy of the script

FAILURE TO SUBMIT THE REQUIRED ANNUAL REPORTS BY THE SPECIFIED DEADLINES MAY CAUSE THE GRANTEE TO BE INELIGIBLE FOR FUTURE BLOCK GRANT CYCLES.

Certified Center Visits

Annual site visits to the Grantee's certified collection centers are a grant requirement. For more detailed information on Certified Centers, refer to the CIWMB web site. **Please submit site visit forms (CIWMB 664 or CIWMB 665) as soon as completed, to your Grant Manager. Unless previously submitted within the last 12 months, these forms must be submitted with the Annual Report.**

For Grantees receiving $20,000 or less per grant cycle, the narrative responses do not need to be provided on the Annual Report Form; however, all other sections must be completed. All other Grantees must submit a complete Annual Report Form. Refer to the Used Oil Block Grant Annual Report Form located on our website.

Expenditure Itemization Summary (EIS)

Grantees are required to submit an Expenditure Itemization Summary (EIS) Form with the Annual Report, covering expenses for the previous fiscal year (July 1 – June 30) by grant cycle in which expenses were incurred.

Use the reporting and expenditure categories listed below when preparing the EIS. Only directly applicable eligible expenses should be included. Summarize all of the expenses that were incurred by grant cycle over the twelve (12) month reporting period and use only the categories that are applicable to the Grantee's grant program. For each category, identify the related tasks and expenses. If there is more than one invoice from a company, list them separately on the EIS. Include invoice numbers.

Permanent Collection Facilities – Includes eligible expenses for collection centers; permanent household hazardous waste collection facilities (PHHWCFs); and antifreeze, battery, oil, and paint (ABOP) facilities. **Do not** include publicity and education or oil containers in this category.

EIS (cont'd)

Temporary or Mobile Collection – Eligible expenses for temporary events at an established facility, and mobile events.

Residential Collection – Curbside or door-to-door collection of used oil and used oil filters.

Load Checking Program – Inspection of loads for used oil at solid waste landfills or transfer stations.

Publicity and Education – All eligible publicity, public education, and community outreach events (except those related to stormwater mitigation).
- A partial list of examples include newspaper ads; radio spots; public service announcement TV spots; flyers; brochures; door hangers; utility bill inserts; billboards; collection center handouts (such as "shelf talkers"), and premiums.
- Material/supply expenses for community events and school presentations should be included in this category.
- Local government personnel expenses should be placed into the personnel/other category.

Personnel/Other – Include directly applicable personnel expenses for employees of the grant jurisdiction.
- Expenses should be broken down to reflect hourly charges, where applicable.
- Include any non-stormwater expenses that do not fit into any other category.
- Personnel costs associated with stormwater mitigation should be included in the stormwater category.
- Contractor or consultant hours should be placed into the other appropriate categories in which the expenses were incurred.

Stormwater Mitigation - Installation and maintenance of filters, storm-drain stenciling, all applicable costs of publicity and education, and personnel. A maximum of 50% of the Block Grant may be spent on all stormwater mitigation program expenses.

EIS Certification - The EIS MUST include the following certification:

"I certify that the above information is correct and that all funds received have been expended in accordance with the Used Oil Recycling Block Grant."

The certification MUST be dated and signed by the person authorized in the Grantee's resolution. An EIS received without the signed certification will not be approved.

<u>REIMBURSEMENT PAYMENTS</u>	To receive a reimbursement payment, Grantees must submit a completed EIS and Payment Request Form. Once reviewed and approved, the payment reimbursement will be processed. Up to four reimbursement requests are available per year, per cycle, and no less than one per year, per cycle.

<u>Payment Request Form</u>	**Required Documents and Format for Payment Request**
	A complete Payment Request must include the following items in the order listed.
	    1. **Payment Request Form** (CIWMB 87) – This form must be signed by the individual authorized by the resolution.
	    2. **Expenditure Itemization Summary** (CIWMB 667 or Grantee's own version) - All expenditures must be itemized and arranged by the Reporting and Expenditure Categories.
	        a. **Personnel Expenditure Summary Report** (CIWMB 165 or Grantee's own version)
	        b. **Travel Expense Form** (CIWMB form or Grantee's own version)

<u>Supporting Documentation Retained at Your Office</u>	**<u>Supporting documentation</u>** - Documentation for all expenditures claimed on the Payment Request must be retained, in accordance with the Audit Considerations provision of these Procedures and Requirements and the Audit/Records Access provision of the Terms and Conditions. <u>DO NOT SUBMIT THESE DOCUMENTS WITH THE EIS.</u> Retain these documents at your office. Types of acceptable documentation include but are not limited to:
	    • **Invoices** that include vendor's name, telephone number and address; a description of goods or services purchased; amount due; and date.
	    • **Receipts** that include the same information as invoices.
	    • **Purchase orders** that include the same information as invoices and must be accompanied by proof of payment (e.g., copies of cancelled checks).
	    • **Personnel Expenditure Summary Form** (CIWMB 165 or your own version) that document actual time spent on grant-related activities.
	    • **Travel Expense Form** (CIWMB form or your own version) that documents costs related to travel and include supporting documentation.
	    • **Samples** of all publicity and education materials purchased or developed with grant funds.
	    • **Proof of Payment** (e.g. copies of cancelled checks and/or documented payment within the financial records.)

Ten Percent Withhold For Reimbursement Payments	Ten percent (10%) will be withheld from each reimbursement Payment Request and paid at the end of the grant term when all reports and conditions, stipulated in the Grant Agreement, have been satisfactorily completed. To be reimbursed for the 10% withholding from the grant, submit a Payment Request Form along with the final EIS.

Block Grant Sequence of Spending	Block Grant recipients will receive reimbursement payments. This payment method retains 10% of the requested amount until the grant is closed out. The remaining ten percent (10%) reimbursement payment will be released to the Grantee at the conclusion of the grant term once the Grantee has complied with all grant provisions. ○ The Grantee will have to incur costs for the entire grant amount. ○ You must spend all of the available funds from the oldest Block Grant <u>prior</u> to spending any funds from more recent Block Grants. For example, utilize all funds from your 7th cycle grant before showing any 8th cycle expenses on your EIS. ○ It is acceptable to split an invoice across two separate Block Grant cycles in order to "zero out" all funds in your oldest Block Grant before using funds from a more recent Block Grant.
Overhead/Indirect Costs	Overhead and indirect costs can be claimed by Grantees. The following guidelines must be used when claiming these costs: • The total cost of overhead and indirect cost charged to the grant shall not exceed ten percent (10%) of the grant award amount. These costs are expenditures not capable of being assigned or not readily itemized to a particular project or activity, but considered necessary for the operation of the organization and the performance of the program. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of overhead and indirect costs. All overhead and indirect costs charged to the grant must be associated with grant-related activities. ***If you are uncertain whether a given cost is considered an overhead/indirect cost by the CIWMB, contact your Grant Manager.*** • Direct costs charged directly to the grant shall not be included in the overhead/indirect cost formula. • Supervision performed by Managers and Supervisors can be included in the overhead/indirect cost formula; and therefore, will not be a direct charge to the grant. On the other hand, if a Manager or Supervisor performs an activity that is directly related to the execution of the grant (not supervision), costs associated with this activity may be included as a direct charge. However, any such activity must be **clearly supported** by appropriate documentation and shall not be charged to the grant as overhead or indirect cost. • The Grantees must maintain organized and accurate records that follow generally accepted accounting principles (GAAP) and leave an audit trail. The Grantee must provide access to all documents related to the grant program and fiscal operation of the grant program as deemed necessary by the CIWMB.

Overhead/Direct Costs (cont'd)	• The Grantees must have on file an internally approved **Cost Allocation Plan** which specifically documents how the cost amount was established and which is supported by formal accounting records to substantiate the charges. The Cost Allocation Plan must be approved by an appropriate Supervisor/Manager in your agency. The Cost Allocation Plan must identify program elements included in the overhead/indirect cost calculation. See the sample "Cost Allocation Plan" calculation listed below: **Total department indirect cost *divided by* total department direct cost base equals the overhead/indirect cost rate.** • If the Grantee utilizes a contractor to administer and/or implement the grant, then the overhead and indirect costs of such contractor may be charged to the grant only to the extent that such costs could have been charged by the Grantee.
Exceptions	Exceptions to the provisions of the Grant Agreement may be considered on a case-by-case basis. All requests must be submitted in writing, and approved in writing, by your Grant Manager. The Grantee is responsible for retaining documentation of any exceptions to the Grant Agreement for audit purposes.
Audit Considerations	Documentation and a clear audit trail are essential to grant management. The Grantee agrees to maintain records for a possible audit for a **minimum of three (3) years after final payment or grant term end date, whichever is later**, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. *Examples of audit documentation include, but are not limited to, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or canceled checks.* Refer to the *Terms and Conditions* for more information.

Advance Payment Option

The advance payment option is available for grantees receiving $20,000 or less, multi-jurisdictional and regional grantees whose individual jurisdictions would have received $20,000 or less had they applied individually. Staff will consider exceptions to the reimbursement policy for financial hardship situations on a case-by-case basis.

Final Report Grant Closure

August 15, 2008 (or earlier)

Grants are not considered closed until all the reporting requirements have been met, all available funding has been expended or returned to the CIWMB, and/or the grant term has expired. The Final Report covers the final reporting period from July 1 to the grant closure date. Any unexpended advanced grant funds and/or interest accrued (if applicable) must be returned to the CIWMB or the Grantee will be invoiced by the CIWMB.

Items required for a Final Report:
1. Completed Annual Report Form (CIWMB 644)
2. The following disclaimer must appear on the cover page of the report:

   "The statement and conclusions of this report are those of the Grantee and not necessarily those of the California Integrated Waste Management Board, its employees, or the State of California. The State makes no warrant, express or implied, and assumes no liability for the information contained in the succeeding text."

3. Expenditure Itemization Summary (EIS) (CIWMB 667) including the total interest accrued for the entire grant term
4. Payment Request Form (CIWMB 87) for the remaining ten percent (10%) withheld from the grant advance.
5. Recycled Content Product Certification Form (RCP) (CIWMB 74G) for each item purchased with grant funds (submit a separate form for each supplier)
6. P & E Reporting Samples
   ❑ A photograph of each premium item
   ❑ An electronic copy or a printed copy of all other P & E printed materials
   ❑ For television, videos, and radio ads provide a copy of the script.

For Grantees receiving $20,000 or less per grant cycle, the narrative responses do not need to be provided on the Annual Report Form; however, all other sections must be completed. All other Grantees must submit a complete Annual Report Form. Refer to the Used Oil Block Grant Annual Report Form located on our website.

FAILURE TO SUBMIT THE REQUIRED ANNUAL REPORTS BY THE SPECIFIED DEADLINES MAY CAUSE THE GRANTEE TO BE INELIGIBLE FOR FUTURE BLOCK GRANT CYCLES.

Certified Center Visits	**Annual site visits** to the Grantee's certified collection centers are a grant requirement. For more detailed information on Certified Centers, refer to the CIWMB web site. **Please submit site visit forms (CIWMB 664 or CIWMB 665) as soon as completed, to your Grant Manager. These forms may be submitted with the Annual Report, or as they are completed throughout the year.**
Expenditure Itemization Summary (EIS)	Grantees are required to submit an Expenditure Itemization Summary (EIS) Form with the Annual Report, covering expenses for the previous fiscal year (July 1 – June 30).

Use the reporting and expenditure categories listed below when preparing the EIS. Only directly applicable eligible expenses should be included. Summarize all of the expenses that were incurred over the twelve (12) month reporting period and use only the categories that are applicable to the Grantee's grant program. For each category, identify the related tasks and expenses. If there is more than one invoice from a company, list them separately on the EIS. Include invoice numbers.

Permanent Collection Facilities – Includes eligible expenses for collection centers; permanent household hazardous waste collection facilities (PHHWCFs); and antifreeze, battery, oil, and paint (ABOP) facilities.
Do not include publicity and education or oil containers in this category.

Temporary or Mobile Collection – Eligible expenses for temporary events at an established facility, and mobile events.

Residential Collection – Curbside or door-to-door collection of used oil and used oil filters.

Load Checking Program – Inspection of loads for used oil at solid waste landfills or transfer stations.

Publicity and Education – All eligible publicity, public education, and community outreach events (except those related to stormwater mitigation).
- A partial list of examples include newspaper ads; radio spots; public service announcement TV spots; flyers; brochures; door hangers; utility bill inserts; billboards; collection center handouts (such as "shelf talkers"), and premiums.
- Material/supply expenses for community events and school presentations should be included in this category.
- Local government personnel expenses should be placed into the personnel/other category.

Personnel/Other – Include directly applicable personnel expenses for employees of the grant jurisdiction.
- Expenses should be broken down to reflect hourly charges, where applicable.
- Include any non-stormwater expenses that do not fit into any other

EIS (cont'd)

category.

- Personnel costs associated with stormwater mitigation should be included in the stormwater category.

- Contractor or consultant hours should be placed into the other appropriate categories in which the expenses were incurred.

Stormwater Mitigation - Installation and maintenance of filters, storm-drain stenciling, all applicable costs of publicity and education, and personnel. A maximum of 50% of the Block Grant may be spent on all stormwater mitigation program expenses.

EIS Certification - The EIS MUST include the following certification:

"I certify that the above information is correct and that all funds received have been expended in accordance with the Used Oil Recycling Block Grant."

The certification MUST be dated and signed by the person authorized in the Grantee's resolution. An EIS received without the signed certification will not be approved.

PAYMENT REQUESTS

Advanced Payments

Where advance payment has been approved, Block Grant recipients will receive ninety percent (90%) of their Block Grant award in advance once the Grant Agreement is fully executed and a signed Payment Request is submitted. Advancement of funds is conditional upon full repayment of all outstanding Block Grant funds and interest owed to the CIWMB.

Payment Request Form

Required Documents and Format for Payment Request
A complete Payment Request must include the following items in the order listed.
1. **Payment Request Form** (CIWMB 87) – This form must be signed by the individual authorized by the resolution.
2. **Expenditure Itemization Summary** (CIWMB 667 or Grantee's own version) - All expenditures must be itemized and arranged by the Reporting and Expenditure Categories.
   a. **Personnel Expenditure Summary Report** (CIWMB 165 or Grantee's own version)
   b. **Travel Expense Form** (CIWMB form or Grantee's own version)

Supporting Documents Retained at your Office

Supporting documentation - Documentation for all expenditures claimed on the Payment Request must be retained, in accordance with the Audit Considerations provision of these Procedures and Requirements and the Audit/Records Access provision of the Terms and Conditions. DO NOT SUBMIT THESE DOCUMENTS WITH THE EIS. Retain these documents at your office. Types of acceptable documentation include but are not limited to:
- **Invoices** that include vendor's name, telephone number and

address; a description of goods or services purchased; amount due; and date.
- **Receipts** that include the same information as invoices.
- **Purchase orders** that include the same information as invoices and must be accompanied by proof of payment (e.g., copies of cancelled checks).
- **Personnel Expenditure Summary Form** (CIWMB 165 or your own version) that document actual time spent on grant-related activities.
- **Travel Expense Form** (CIWMB form or your own version) that document costs related to travel and include supporting documentation.

- **Samples** of all publicity and education materials purchased or developed with grant funds.

- **Proof of Payment** (e.g. copies of checks and/or documented payments within the financial records.)

Ten Percent Withhold for Advance and Reimbursement Payments

Ten percent (10%) will be withheld from each advance Payment Request and paid at the end of the grant term when all reports and conditions, stipulated in the Grant Agreement, have been satisfactorily completed. To be reimbursed for the 10% withholding from the grant, submit a Payment Request Form along with the final EIS.

Block Grant Sequence of Spending

In cases where a Block Grant recipient receives a 90% payment advance, the CIWMB retains 10% of the awarded grant amount until the grant is closed out. The remaining ten percent (10%) from the advance will be released to the Grantee at the conclusion of the grant term once the Grantee has complied with all grant provisions.
- The Grantee will have to incur costs for the entire grant amount (90% advanced and 10% withheld) or return any unspent advanced funds to the CIWMB and either spend or return to the CIWMB any accrued interest. The Block Grant is not completed until the 10% withheld amount <u>and</u> all accrued interest (where applicable) is expended or returned and accounted for on the grant's final EIS.

Note: *Any unspent grant funds or interest accrued will be formally invoiced by the CIWMB and cannot be reconciled against the final 10% withhold.*

- You must spend all of the available funds from the oldest Block Grant <u>prior</u> to spending any funds from more recent Block Grants. For example, utilize all funds from your 7th cycle grant before showing any 8th cycle expenses on your EIS.
- It is acceptable to split an invoice across two separate Block Grant cycles in order to "zero out" all funds in your oldest Block Grant before using funds from a more recent Block Grant.

Interest Accrued on Advance Payments	Interest earned for each Block Grant Cycle advance must be tracked and accounted for separately. All grant funds must be placed in an interest-bearing account with a fully insured financial institution. All interest accrued and received from this account may be used only for eligible expenses related to the grant. **Interest accrued must be stated on the FINAL EIS only.** All grant funds directly forwarded to a contractor for expenditure must also track accrued interest earned and follow the same requirements regarding interest as those placed on the Grantee, unless the money is spent within ninety (90) days of issuance of the funds by the Grantee. The Grantee is responsible to ensure that (sub)contractors who administer and/or implement the grant on behalf of the Grantee comply with this Grant Agreement. Any unused interest accrued must be returned to the CIWMB at the end of the grant term. Grantees should contact their administration and finance office to establish a process to track and report this interest.
Overhead/Indirect Costs	Overhead and indirect costs can be claimed by Grantees. The following guidelines must be used when claiming these costs: • The total cost of overhead and indirect cost charged to the grant shall not exceed ten percent (10%) of the grant award amount. These costs are expenditures not capable of being assigned or not readily itemized to a particular project or activity, but considered necessary for the operation of the organization and the performance of the program. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of overhead and indirect costs. All overhead and indirect costs charged to the grant must be associated with grant-related activities. *If you are uncertain whether a given cost is considered an overhead/indirect cost by the CIWMB, contact your Grant Manager.* • Direct costs charged directly to the grant shall not be included in the overhead/indirect cost formula. • Supervision performed by Managers and Supervisors can be included in the overhead/indirect cost formula; and therefore, will not be a direct charge to the grant. On the other hand, if a Manager or Supervisor performs an activity that is directly related to the execution of the grant (not supervision), costs associated with this activity may be included as a direct charge. However, any such activity must be **clearly supported** by appropriate documentation and shall not be charged to the grant as overhead or indirect cost.

Overhead/Indirect Costs (cont'd)	• The Grantees must maintain organized and accurate records that follow generally accepted accounting principles (GAAP) and leave an audit trail. The Grantee must provide access to all documents related to the grant program and fiscal operation of the grant program as deemed necessary by the CIWMB.
	• The Grantees must have on file an internally approved **Cost Allocation Plan** which specifically documents how the cost amount was established and which is supported by formal accounting records to substantiate the charges. The Cost Allocation Plan must be approved by an appropriate Supervisor/Manager in your agency. The Cost Allocation Plan must identify program elements included in the overhead/indirect cost calculation. See the sample "Cost Allocation Plan" calculation listed below:
	Total department indirect cost *divided by* total department direct cost base[4] equals the overhead/indirect cost rate.
	• If the Grantee utilizes a contractor to administer and/or implement the grant, then the overhead and indirect costs of such contractor may be charged to the grant only to the extent that such costs could have been charged by the Grantee.
Exceptions	Exceptions to the provisions of the Grant Agreement may be considered on a case-by-case basis.

All requests must be submitted in writing, and approved in writing, by your Grant Manager. The Grantee is responsible for retaining documentation of any exceptions to the Grant Agreement for audit purposes. |
| **Audit Considerations** | Documentation and a clear audit trail are essential to grant management.

The Grantee agrees to maintain records for a possible audit for a **minimum of three (3) years after final payment or grant term end date, whichever is later**, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or canceled checks.

Refer to the *Terms and Conditions* for more information. |